

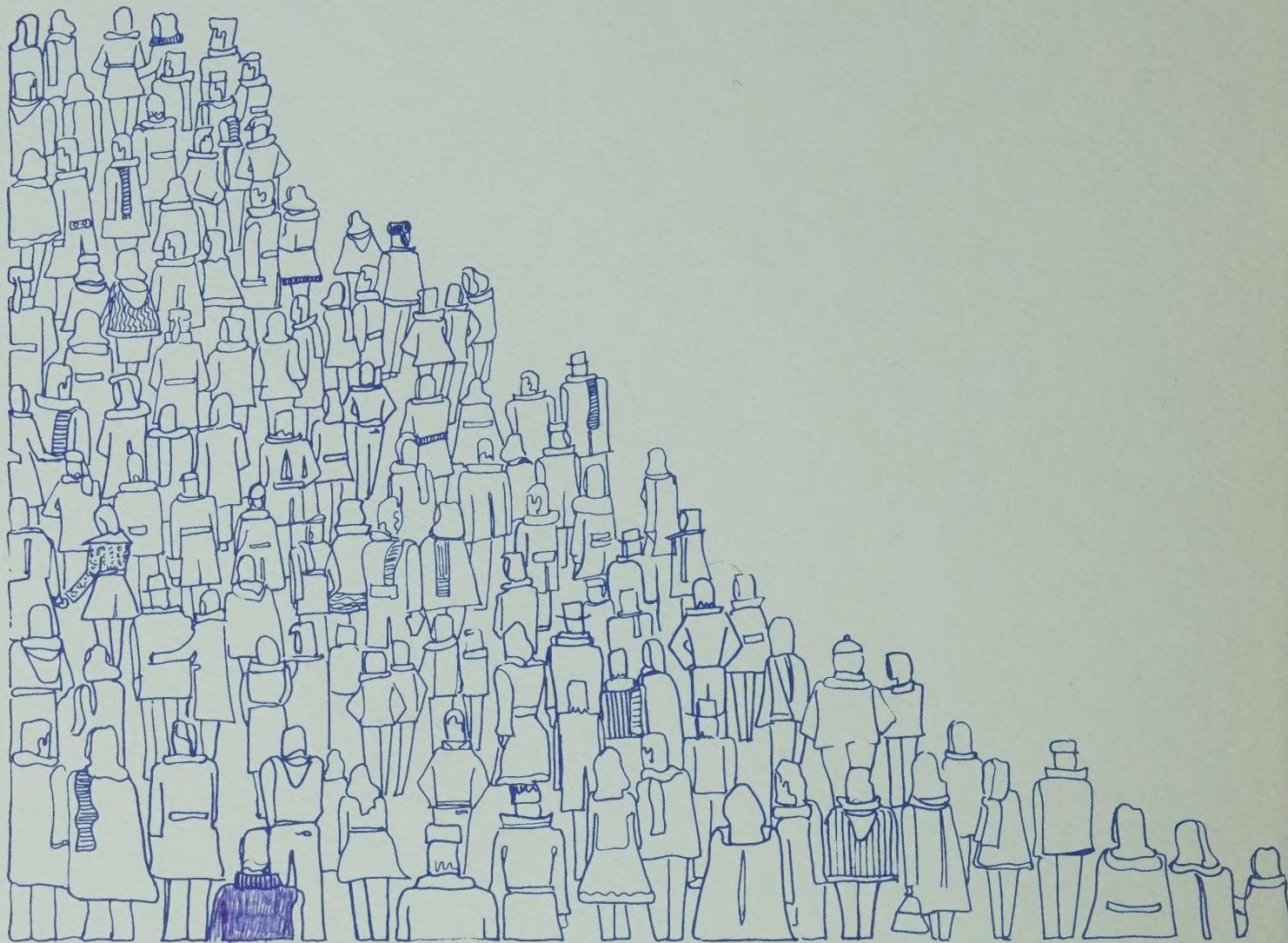
AR19

Annual  
report  
1975

CARENA-BANCORP INC.



# CARENA-BANCORP INC. AND SUBSIDIARIES



## 5 years summary of operating highlights

	1975	1974	1973	1972	1971
<b>Operating Statistics</b>					
Gross revenue	\$24,704,000	\$17,883,000	\$14,076,000	\$11,182,000	\$10,208,000
Net earnings	\$ 3,052,000	\$ 2,072,000	\$ 1,565,000	\$ 1,468,000	\$ 1,221,000
Dividends paid	\$ 1,152,000	\$ 793,094	\$ 666,250	\$ 666,250	\$ 512,500

## Common Stock Statistics

Net earnings per share	\$2.60	\$1.93	\$1.53	\$1.43	\$1.19
Dividends paid per share	\$0.75	\$0.68	\$0.65	\$0.65	\$0.50

**CARENA-BANCORP INC.  
AND SUBSIDIARIES**  
2313 Ste-Catherine st, West, Montréal

**Directors**

JEAN BÉLIVEAU  
EDWARD M. BRONFMAN  
PETER F. BRONFMAN  
JACK L. COCKWELL  
E. JACQUES COURTOIS  
J. CLAUDE HÉBERT  
SAM POLLOCK

**Officers**

<i>Carena-Bancorp Inc.</i> PETER F. BRONFMAN Chairman of the Board	<i>Club de Hockey Canadien, Inc.</i> E. JACQUES COURTOIS President	<i>Canadian Arena Company (1974) Ltd.</i> E. JACQUES COURTOIS Chairman of the Board
E. JACQUES COURTOIS President	SAM POLLOCK Vice President & General Manager	IRVING GRUNDMAN President
SAM POLLOCK Vice President	JEAN BÉLIVEAU Vice President & Director Corporate Relations	GERRY GRUNDMAN Vice President — Operations
JACK L. COCKWELL Treasurer	A. COLLINSON Treasurer	A. COLLINSON Treasurer
A. COLLINSON Comptroller	DAVID W. KERR Secretary	DAVID W. KERR Secretary
DAVID W. KERR Secretary		

**Transfer agent and registrar**  
Montreal Trust Company  
MONTREAL TRUST COMPANY  
777 Dorchester Blvd. West,  
Montreal

**Shares listed**  
Montreal Stock Exchange  
Symbol — CDN

No

**CARENA-BANCORP INC.  
AND SUBSIDIARIES**

Under Stephen arms

**Report  
of the directors  
to the shareholders**

The past year has been one of steady growth. Gross revenue for 1975 increased to \$24,704,000 from \$17,883,000 in 1974 while net earnings rose to \$3,052,000 from \$2,072,000 amounting to \$2.60 per common share compared with \$1.93 last year. In June, the quarterly dividend payment was increased for the second consecutive year to the current annual rate of \$0.84 per common share from \$0.72 per common share.

*Zuker*

The acquisition of a 19 per cent interest in the common shares of IAC Limited was a major step forward for your Company and has resulted in a substantial contribution to the Company's earnings. During the year, two directors of our Company, Messrs. Peter F. Bronfman and E. Jacques Courtois were elected to the Board of Directors of IAC Limited and the annual dividend payment rate on IAC Limited common shares was increased from \$0.96 per share to \$1.04 per share. Recently the annual dividend rate was again increased to \$1.14 per share. The Board of Directors of IAC Limited also recently approved in principle a plan providing for introduction in Parliament of a private members bill to convert the company into a chartered bank.

Profit margins for entertainment in general have been difficult to maintain because of increased wage costs and municipal levies in the form of amusement, property and water taxes. Nevertheless, significant contributions to gross revenue were made by the ice shows, circus and rock concerts while lacrosse returned last summer with a six team professional league. The air-conditioning in the building assisted greatly in increasing the comfort of patrons for summer events and was a major factor in the selection of the Forum for hosting the 1976 Olympic gymnastics and the final events for basketball, handball, volleyball and boxing.

Our National Hockey League team finished in first place during the regular season in the James Norris Division and progressed to the semi-finals of the Stanley Cup playoffs. Attendance for NHL hockey was up by 63,000 over last year, however, operating costs were once again significantly higher. A screen for the viewing of replays was installed in the Forum during the year for the benefit of spectators seated in the terrace seats. In the coming year the addition of 10 new private boxes and the creation of a private club type seating arrangement will improve the Company's revenue base.

At the end of the year, Howard Hamilton, vice president administration, retired from the Company. In his 17 years with the Company he gave unselfishly of himself and we are all the better for our association with him. This summer, Henri Richard, last year's team captain and for 20 years one of Canadiens great players, retired. The excitement, the explosiveness and the

determination with which he played hockey made Montreal fans know that they would always see hockey being played at its finest. His departure from the Canadiens is a milestone in the history of the club.

The board of directors of the Company have recently approved a two for one split of the common stock and an increase in the authorized preferred share capital. The purpose is to assist the future issue of common and preferred shares to the public and you will be asked to ratify these actions at the annual general meeting of shareholders.

Your Company continues to seek out opportunities and new ways in which it may employ its financial and personnel resources in the best interests of its shareholders. The directors wish to acknowledge the employees' contribution to the Company's growth and thank them for their efforts and cooperation during the past year.

On behalf of the Board,  
E. JACQUES COURTOIS,

President

*932-6181*

*Dave Kern*  
*842-8561*

**CARENA-BANCORP INC.  
(formerly Canadian Arena Company)  
AND SUBSIDIARIES**

**Consolidated balance sheet as at June 30, 1975**

	<b>1975</b>	<b>1974</b>
	\$	\$
<b>ASSETS</b>		
Marketable securities (note 2) . . . . .	1,144,000	3,333,000
Term loans and other receivables . . . . .	21,900,000	21,993,000
Investment in affiliated company (note 3) . . . . .	48,184,000	42,312,000
Equipment leased to others (note 4) . . . . .	9,089,000	10,007,000
Income producing property (note 5) . . . . .	10,438,000	10,503,000
Other assets (note 6) . . . . .	2,975,000	3,492,000
	<b>93,730,000</b>	<b>91,640,000</b>
<b>LIABILITIES</b>		
Accounts payable . . . . .	3,676,000	1,937,000
Secured debt (note 7) . . . . .	64,314,000	66,118,000
	<b>67,990,000</b>	<b>68,055,000</b>
Deferred income . . . . .	3,734,000	3,777,000
Deferred income taxes . . . . .	3,276,000	2,978,000
	<b>75,000,000</b>	<b>74,810,000</b>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (note 8) . . . . .	6,207,000	6,207,000
Retained earnings . . . . .	12,523,000	10,623,000
	<b>18,730,000</b>	<b>16,830,000</b>
	<b>93,730,000</b>	<b>91,640,000</b>

SIGNED ON BEHALF OF THE BOARD,

PETER F. BRONFMAN,  
director

E. JACQUES COURTOIS,  
director

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**Auditors' report to the shareholders**

August 8, 1975

We have examined the consolidated balance sheet of Carena-Bancorp Inc. and subsidiaries as at June 30, 1975 and the consolidated statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at June 30, 1975 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Coopers & Lybrand*

CHARTERED ACCOUNTANTS

**CARENA-BANCORP INC.  
AND SUBSIDIARIES**

**Consolidated statement of earnings  
and retained earnings**

For the year ended June 30, 1975

	<b>1975</b>	1974
	\$	\$
<b>Income</b>		(note 1)
Operating revenue .....	16,172,000	13,719,000
Investment, leasing and other (note 3) .....	8,532,000	4,164,000
	<b>24,704,000</b>	<b>17,883,000</b>
<b>Expenses</b>		
Operating .....	14,363,000	11,788,000
Interest .....	5,091,000	2,336,000
Depreciation and amortization .....	1,765,000	1,309,000
Income taxes (note 9) .....	433,000	378,000
	<b>21,652,000</b>	<b>15,811,000</b>
<b>Net earnings for the year</b> .....	<b>3,052,000</b>	2,072,000
<b>Retained earnings — beginning of year</b> .....	<b>10,623,000</b>	9,344,000
	<b>13,675,000</b>	<b>11,416,000</b>
<b>Dividends</b>		
Common shares .....	768,000	697,000
Preference shares .....	384,000	96,000
	<b>1,152,000</b>	793,000
<b>Retained earnings — end of year</b> .....	<b>12,523,000</b>	<b>10,623,000</b>
<b>Net earnings per common share (note 8)</b> .....	<b>2.60</b>	1.93

**Consolidated statement of changes  
in financial position**

For the year ended June 30, 1975

	<b>1975</b>	1974
	\$	\$
<b>Source of funds</b>		(note 1)
Operations:		
Net earnings for the year .....	3,052,000	2,072,000
Items not requiring funds:		
Depreciation .....	1,248,000	1,084,000
Amortization .....	517,000	225,000
Undistributed equity in affiliated company .....	(2,318,000)	
Deferred income taxes .....	298,000	260,000
Other .....	(61,000)	54,000
	<b>2,736,000</b>	<b>3,695,000</b>
Funds provided by operations .....	<b>302,000</b>	<b>2,508,000</b>
Increase in deferred income .....	<b>2,189,000</b>	<b>1,739,000</b>
Sale of marketable securities .....	<b>1,739,000</b>	291,000
Other changes in assets and liabilities .....		42,963,000
Increase in secured debt .....		5,125,000
Issue of preference shares .....		<b>6,966,000</b>
	<b>6,966,000</b>	<b>54,582,000</b>
<b>Application of funds</b>		
Investment in affiliated company .....	3,554,000	42,312,000
Increase in term loans and other receivables .....	191,000	10,597,000
Additions to income producing property .....	265,000	235,000
Repayment of secured debt .....	1,804,000	
Dividends .....	1,152,000	793,000
Purchase of marketable securities .....		195,000
Increase in other assets .....		450,000
	<b>6,966,000</b>	<b>54,582,000</b>

# **CARENA-BANCORP INC. AND SUBSIDIARIES**

## **Notes to consolidated financial statements**

For the year ended June 30, 1975

### **1. Accounting policies**

Principles of consolidation:

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries. The investment in affiliated company has been accounted for under the equity method.

Equipment leased to others:

Depreciation on equipment leased to others is based on a method whereby the excess of rentals over cost is taken into income over the term of the leases to reflect a constant return on the unrecovered investment in the equipment.

Income producing property:

Depreciation of the building is based on the sinking fund method under which an increasing amount, consisting of a fixed annual sum together with interest compounded at the rate of 5% per annum, is charged to earnings so as to fully depreciate the property over a thirty year period from 1968. Depreciation of equipment is based on the diminishing balance method at various rates.

Other assets:

Other assets represent franchises and films which are being amortized over the estimated useful life of the assets subject to a further reduction in the event there is a diminution in the estimated realizable value.

Deferred income:

Deferred income includes revenue from the sale of franchises and advance sales for events. Franchise revenue is taken into income on a straight line basis over a period of ten years and other deferred income is recorded as earned.

Income taxes:

Income taxes are accounted for on the tax allocation basis. The major portion of accumulated deferred income taxes arises from the difference between the amounts of depreciation claimed for income tax purposes and those recorded in the financial statements.

Currency translation:

All borrowings by the company in United States funds are fully hedged and are recorded at exchange rates established under forward exchange contracts.

Comparative figures:

Certain 1974 figures in the consolidated financial statements have been reclassified for purposes of comparison.

### **2. Marketable securities**

The assets are stated at cost which is equal to market value.

### **3. Investment in affiliated company**

The investment in affiliated company represents a 19.0% interest in the common shares of IAC Limited. The excess of cost of the shares over the underlying net assets of the affiliate in the amount of \$11,397,000 has been allocated primarily to favourable long-term liabilities and to assets. Investment, leasing and other income includes \$4,906,000 of equity in earnings of IAC Limited of which \$2,588,000 has been received as dividends. For the year ended June 30, 1974, income in the amount of \$528,000 was recorded on the basis of dividends received which did not exceed equity earnings accruing from the dates of acquisition of shares then held.

### **4. Equipment leased to others**

These assets are stated at cost less accumulated depreciation of \$1,722,000 (1974 — \$804,000).

### **5. Income producing property**

These assets are stated at cost less accumulated depreciation of \$3,443,000 (1974 — \$3,112,000).

### **6. Other assets**

These assets are stated at cost less accumulated amortization of \$968,000 (1974 — \$451,000).

## CARENA-BANCORP INC. AND SUBSIDIARIES

### 7. Secured Debt

This debt is secured by the hypothecation and specific pledges of certain assets of the company and bears interest at an average floating rate which was 6% as at June 30, 1975 and includes \$19,500,000 payable to affiliated companies. Principal repayments are due as follows:

June 30, 1976 .....	12,103,000
1977 .....	15,857,000
1978 .....	1,357,000
1979 .....	31,624,000
1980 .....	1,357,000
1981 to 1987 .....	2,016,000
	<u>\$64,314,000</u>

### 8. Capital stock

Preference — 7½% cumulative, voting, redeemable at their par value of \$2.50.	
Authorized, issued and fully paid — 2,050,000 shares .....	5,125,000
Common — without par value. Authorized —	
4,000,000 shares; issued and fully paid — 1,025,000 shares .....	1,082,000

Options were outstanding at June 30, 1975 for key employees to purchase a total of 45,500 shares at \$15 per share. The options are exercisable at the rate of 20% annually on a cumulative basis until April 29, 1977 for 35,500 shares and July 30, 1978 for 10,000 shares. The exercise of employee stock options would have no significant effect on earnings per share.

### 9. Income taxes

Income taxes have been reduced on account of dividend income and other permanent income and expense timing differences between recorded and taxable income. In addition a subsidiary company has losses for income tax purposes in the amount of \$1,500,000 in excess of the amount given effect to in the consolidated provision for deferred income taxes. These losses are available to offset otherwise taxable income in future years and expire in the year ending June 30, 1980.

### 10. Directors' and officers' remuneration

The company's seven directors received no remuneration as directors for the years 1975 and 1974. The company and its subsidiaries have ten officers whose aggregate remuneration was \$399,520 (1974 — ten officers; \$335,750). Five of the officers are also directors.

#### 5. Propriété à revenus

Cette propriété est inscrite au prix coûtant moins l'amortissement accumulé de \$3,443,000 (\$3,112,000 en 1974).

#### 6. Autres éléments d'actif

Ces éléments sont inscrits au prix coûtant moins l'amortissement accumulé s'élevant à \$968,000 (\$451,000 en 1974).

#### 7. Dette garantie

Cette dette est garantie par des créances hypothécaires et un nantissement particulier sur quelques éléments d'actif de la compagnie.

1977 .....	15,857,000
1976 .....	12,103,000
le 30 juin 1976 .....	\$64,314,000
	.....
1978 .....	1,357,000
1979 .....	31,624,000
1980 .....	1,357,000
1981 à 1987 .....	2,016,000
	.....
Actions privilégiées, 7½% cumulatif, votantes, rachetables à leur valeur nominale de \$2,50.	Autorisé, émis et entièrement payé: 2,050,000 actions .....
	.....
Actions ordinaires, sans valeur nominale.	Autorisé, émis et entièrement payé: 2,050,000 actions .....
	.....
Des droits de souscrire à 45,500 actions au prix de \$15 l'action accordés aux employés clés établi en circulaire au 30 juin 1975. Les droits de souscrire à 35,500 actions peuvent être exercés au taux annuel de 20% sur une base cumulative jusqu'au 29 avril 1977 et les droits de souscrire au solde des 10,000 actions jusqu'au 30 juillet 1978. L'exercice des droits de souscrire, par les employés, ne toucherait pas le bénéfice par action autre mesure.	Le montant des impôts sur le revenu a été réduit à cause du revenu provenant des dividendes et des différences permanentes de synchronisation du revenu et des dépenses entre le revenu inscrit et le revenu imposable. De plus, une filiale dispose de pertes, à l'égard de l'impôt sur le revenu reportées. Cette filiale peut utiliser ces pertes jusqu'au 30 juin 1980 pour provisoire consolidee pour les impôts sur le revenu reportés. Ces pertes jusqu'au 30 juin 1980 pour diminuer le revenu autrement imposable des exercices à venir.

#### 9. Impôts sur le revenu

Le montant des impôts sur le revenu a été réduit à cause du revenu provenant des dividendes et des différences permanentes de synchronisation du revenu et des dépenses entre le revenu inscrit et le revenu imposable. De plus, une filiale dispose de pertes, à l'égard de l'impôt sur le revenu reportées. Cette filiale peut utiliser ces pertes jusqu'au 30 juin 1980 pour provisoire consolidee pour les impôts sur le revenu reportés. Ces pertes jusqu'au 30 juin 1980 pour diminuer le revenu autrement imposable des exercices à venir.

#### 10. Remunération des administrateurs et des directeurs

Les sept administrateurs de la compagnie n'ont reçu aucune remunération en tant qu'administrateurs pour les exercices de 1975 et de 1974. La remunération globale des dix directeurs de la compagnie et de ses filiales s'élève à \$399,520 (dix directeurs en 1974; \$335,750). Cinq des directeurs sont également administrateurs.





*Coopers & Lybrand*

de l'exercice précédent.

À cette date, conformément aux principes comptables généralement reconnus, appliqués de la même manière qu'au cours du 30 juin 1975 et les résultats de leurs opérations ainsi que les variations dans leur situation financière pour l'exercice terminé à cette date, ces états financiers consolidés présentent équitablement la situation financière des compagnies au 30 juin 1975.

A notre avis, ces états financiers consolidés n'écouvrent pas nécessairement les circonstances.

Examen à comparer une revue générale des procédés comptables et les sondages des livres, pièces et autres documents bénéfices et des bénéfices non répartis et de l'évolution de la situation financière pour l'exercice terminé à cette date. Notre

Nous avons examiné le bilan consolidé de Carrena-Bancorp Inc. et ses filiales au 30 juin 1975 et les états consolidés des

le 8 août 1975

### Rapport des vérificateurs aux actionnaires

E. JACQUES COURTOIS,  
administrateur

PETER F. BRONFMAN,  
administrateur

SIGNE AU NOM DU CONSEIL,

### AVOIR DES ACTIONNAIRES

Capital-actions (note 8) .....	6,207,000	6,207,000	10,623,000	10,623,000	16,830,000	18,730,000	93,730,000	91,640,000
Bénéfices non répartis .....	74,810,000	75,000,000	3,734,000	3,734,000	3,777,000	2,978,000	2,976,000	68,055,000
Revenu reporté .....	66,118,000	64,314,000	42,312,000	42,312,000	10,007,000	10,438,000	9,089,000	1,144,000
Comptes à payer .....	1,937,000	3,676,000	21,993,000	21,993,000	3,333,000	1,144,000	1,144,000	\$ 1974

### PASSIF

Autres éléments d'actif (note 6) .....	3,492,000	10,503,000	10,007,000	9,089,000	42,312,000	48,184,000	21,993,000	3,333,000	1,144,000	\$ 1974
Materiel donné à loyer (note 4) .....	10,007,000	10,438,000	9,089,000	9,089,000	42,312,000	48,184,000	21,993,000	3,333,000	1,144,000	(note 1)
Placements dans une compagnie affiliée (note 3) .....	42,312,000	48,184,000	21,993,000	21,993,000	3,333,000	1,144,000	\$ 1974	1,144,000	Titres négociables (note 2) .....	
Prêts à terme et autres comptes à recevoir .....	21,993,000	21,993,000	3,333,000	3,333,000	1,144,000	\$ 1974	1,144,000	1,144,000	Titres négociables (note 2) .....	
Materiel donné à loyer (note 4) .....	10,007,000	10,438,000	9,089,000	9,089,000	42,312,000	48,184,000	21,993,000	3,333,000	1,144,000	(note 1)
Propriété à revenus (note 5) .....	10,007,000	10,438,000	9,089,000	9,089,000	42,312,000	48,184,000	21,993,000	3,333,000	1,144,000	Titres négociables (note 2) .....
Autres éléments d'actif (note 6) .....	3,492,000	10,503,000	10,007,000	9,089,000	42,312,000	48,184,000	21,993,000	3,333,000	1,144,000	(note 1)
Impôts sur le revenu reportés .....	2,976,000	3,734,000	3,777,000	2,978,000	1,144,000	66,118,000	64,314,000	3,676,000	2,976,000	Revenu reporté .....
Capital-actions (note 8) .....	6,207,000	6,207,000	10,623,000	10,623,000	16,830,000	18,730,000	93,730,000	91,640,000	6,207,000	Bénéfices non répartis .....

### Bilan consolidé au 30 juin 1975

(Antrepreneur Canadian Arena Company)  
ET SES FILIALES  
CARRENA-BANCORP INC.

## Rapport des administrateurs aux actionnaires

CAREN-A-BANCO RP INC.  
ET SES FILIALES

**CAREN-A-BANCORP INC.**  
**ET SES FILIALES**

2313 ouest, rue Ste-Catherine, Montréal

Conseil d'administration

JEAN BÉLIVÉAU

EDWARD M. BRONFMAN

PETER F. BRONFMAN

JACK L. COCKWELL

E. JACQUES COURTOIS

J. CLAUDE HÉBERT

SAM POLLICK

Direction de la compagnie

E. JACQUES COURTOIS

Président

PETER F. BRONFMAN

Président du Conseil

Caren-a-Bancorp Inc.

Canadian Arena Company (1974) Ltd.

SAM POLLICK  
Président et gérant général

IRVING GRUNDMAN  
Président

GERRY GRUNDMAN  
Vice-président opérations

JÉAN BÉLIVÉAU  
Vice-président et directeur

des relations

A. COLLINSON  
Trésorier

DAVID W. KERR  
Secrétaire

DAVID W. KERR  
Secrétaire

A. COLLINSON  
Trésorier

JACK COCKWELL  
Vice-président

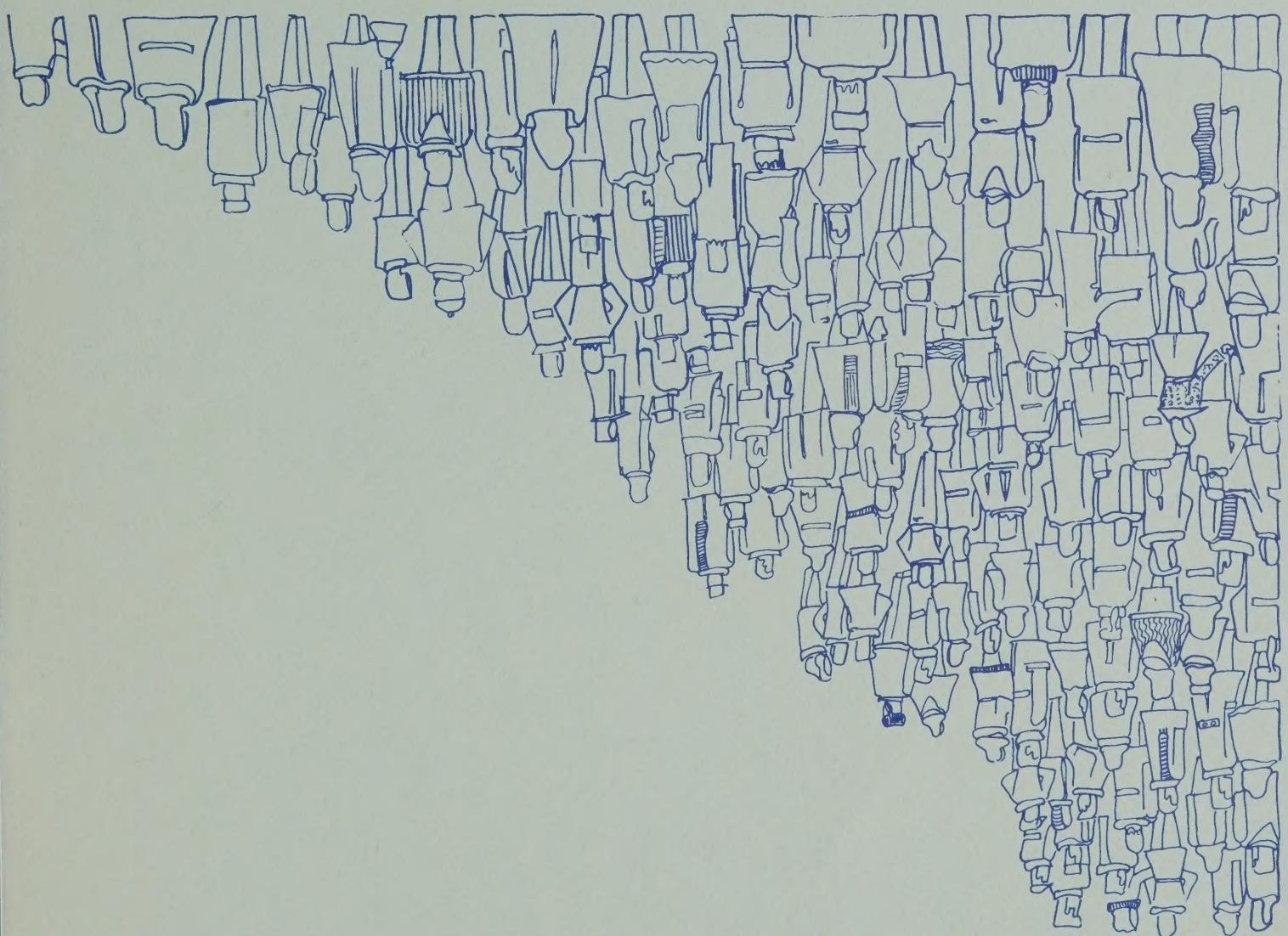
SAM POLLICK  
Contrôleur

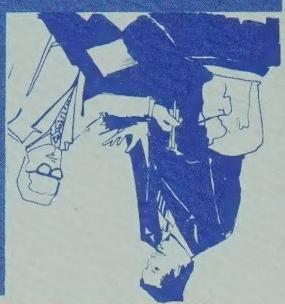
DAVID W. KERR  
Secrétaire

MONTRÉAL TRUST COMPANY  
777, boulevard Dorchester ouest,

Montreal  
Agents de transfert  
Action cotées  
Bourse de Montréal  
Symbolé, CDN

	1975	1974	1973	1972	1971
<b>Statisiques d'opérations</b>					
Revenu brut	\$24,704,000	\$17,883,000	\$14,076,000	\$11,182,000	\$10,208,000
Bénéfice net	\$ 3,052,000	\$ 2,072,000	\$ 1,565,000	\$ 1,468,000	\$ 1,221,000
Dividendes versés	\$ 1,152,000	\$ 793,094	\$ 666,250	\$ 666,250	\$ 512,500
Bénéfice net par action	\$2.60	\$1.93	\$1.53	\$1.43	\$1.19
Dividendes versés par action	\$0.75	\$0.68	\$0.65	\$0.65	\$0.50





6  
Septembre 1975

Rapport annuel 1975

CAREN-A-BANCORP INC.